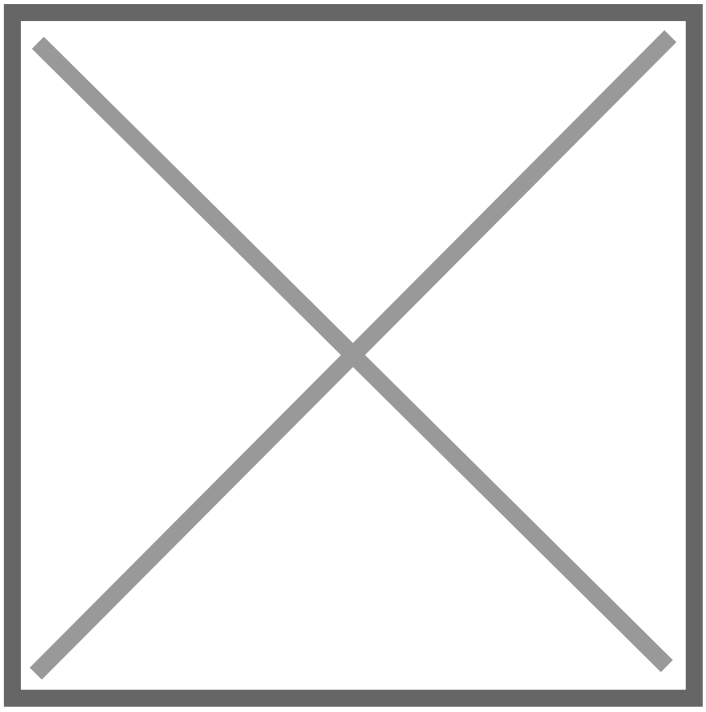
BioSpect
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

"We have long-term commitment to India through vaccines" - S Kalyanasundaram, managing director, GlaxoSmithKline Pharmaceuticals Limited.

11 April 2005 | News



GSK has a vaccine filling facility coming up at Nasik. What made GSK look at Nasik when companies are looking at setting up units in Haryana, J&K and Himachal Pradesh for tax benefits?

In Nasik, we have a major pharmaceutical facility with 800 strong people. They have the experience and expertise in different areas including those like the vaccines. Vaccines are technology intensive products and our efforts will be to produce high quality vaccines.

What is the capacity of your upcoming facility at Nasik?

Our factory is capable of delivering vaccines to all children in the country. That is the capability we are creating at Nasik. GSK is able to manufacture and sell vaccines to the tune of 1.5 billion doses. If you look at the global population with newborn babies of 120 million, even if you assume 80 percent of our 1.5 billion doses goes to children, then every child will probably be consuming 8-10 doses of GSK vaccines. We are not only selling for children but also for adults.

Your focus is on self-pay market and not on government organizations. With this new plant coming up, will you be looking at the government agencies?

We have a number of vaccines. For example, Hepatitis B vaccines have now been introduced under the immunization program in India. Similarly, in other developing countries including China, it has been included in the immunization program. Our next vaccine is Rotarix to prevent rotavirus gastroenteritis in children. Hundreds and thousands of the children die due to this virus in India. We have a number of other vaccines including Hiberix (a Haemophilus influenzae type b vaccine) - a vaccination for infants from the age of six weeks onwards against Hib. The newborns will benefit through the immunization program. The facility will open up a window of opportunities for us as it has the capabilities to manufacture these vaccines.

Globally our spirit is public-private partnership. In India also our commitment is the same as our global spirit. There is no change in it. We are actually working with the government on a number of programs, which will fulfill our current government's vision too. We have a lot of opportunities in India and we can play a good role in fulfilling the government's vision.

What is GSK's investment for this new vaccine facility?

In Nasik, we are sharing a lot of the core facilities with the existing pharmaceutical facility. If we want to set up a stand-alone facility, which can meet the global standards, it requires at least about $20 million.

At the foundation stone laying ceremony, you noted that the new facility reflects GSK's commitment to India. Does it mean that whatever the plant produces, will be used to meet only the needs in India or are you looking at exports as well?

Again my reply is the same. We have long-term commitment to India through vaccines. By putting up the facility, we are saying that we do cater to the needs of India. Having said that if you look at the entire population of the South East Asia, it will be half a billion. So covering exports is no more an added benefit. The fundamental focus and justification is the Indian

market. We will also keep the exports option in mind and as and when it comes, we will look into it.

Indian pharmaceutical companies are looking at exports as money-spinners. Considering this, will GSK look at export of vaccines as core opportunity?

There is a difference between the Indian companies and GSK. If you look at Indian companies most of them are transnational companies - originated in India and headquartered in India. We are a subsidiary and an arm of a global company with focus on India. So the business model will vary with different organizations. Again India will be our focus. But exports will be added benefits.

Who do you see as your competition-MNCs or the Indian companies?

I respect all our competitors. Each one will have distinguished advantages. If you look at companies in the same range of product portfolio, they all follow the same marketing strategy. They will have the same work culture. Hence they are our competitors. If you look at the Indian companies, they may not have a comprehensive product portfolio of vaccines. But you know what they did in the case of Hepatitis B. The entry has brought the prices of vaccines down.

So both of them offer different types of opportunities and challenges. That is why I am saying MNCs-Aventis already has a wide range products, Chiron has its presence in India with a manufacturing facility, and Merck may come in the future-are our competitors. In India you have Serum Institute of India and Panacea Biotec. For different reasons Indian companies, unlike MNCs who have very large portfolio, have their own strategies. They manage it quite well. It can damage some of our opportunities. I think they are competitors. We take on every company with due respect.

What is this "Famili Vaccines" concept that GSK introduced last year in India?

We are very happy that this world-class concept was implemented in India a couple of years ago by GSK. It is a long-term market development program, which brings interaction between mother and doctor. It is a highly innovative concept. We have a range of vaccines for the entire family. Normally in a family, the mother takes care of the health of the entire family. So she will get the relevant information about the range of vaccines a family needs under this public-private program.

What is the revenue you are looking at from your vaccines business?

The revenue of GSK vaccines in India is over Rs 100 crore. It is growing more than the growth of the pharmaceutical section. In the last three years, it has been growing at a rate of 20 percent. And it is expected to grow more than this as we have about a half dozen products in line for introduction in the coming few years.

Narayan Kulkarni